

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>2002-31</b>	2. STATE <b>MS</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE <b>January 1, 2003</b>	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. TYPE OF PLAN MATERIAL (Check One):		

☐ NEW STATE PLAN      ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN      ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)


6. FEDERAL STATUTE/REGULATION CITATION:  <b>42 CFR 447.201</b>	7. FEDERAL BUDGET IMPACT: a. FFY <b>2003</b> \$ <b>793,000</b> b. FFY <b>2004</b> \$ <b>1,058,000</b>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-D, Pages 95-98</b> <b>Attachment 4.19-D, Page 108</b> <b>Attachment 4.19-D, Page 113</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-D, Pages 95-98</b> <b>Attachment 4.19-D, Page 108</b> <b>Attachment 4.19-D, Page 113</b>

10. SUBJECT OF AMENDMENT: This State Plan Amendment (SPA) is being filed to allow the Division of Medicaid to allow the Division of Medicaid to incorporate case-mix weights and increased bed value for Alzheimer's and related dementia in licensed Alzheimer's Special Care units.


11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: <b>Rica Lewis-Payton, Executive Director</b> <b>Miss. Division of Medicaid</b> <b>Attn: Rose Compere</b> <b>239 North Lamar Street, Suite 801</b> <b>Jackson, MS 39201-1399</b>
13. TYPED NAME: <b>Rica Lewis-Payton</b>	
14. TITLE: <b>Executive Director</b>	
15. DATE SUBMITTED: <b>December 23, 2002</b>	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: <b>12/23/02</b>	18. DATE APPROVED: <b>2/14/03</b>
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1/1/03</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>CHARLENE BROWN</b>	22. TITLE: <b>Deputy Director, CHSO</b>
23. REMARKS:	

Each of the thirty-four (34) resident classifications as well as the default classification have been assigned case-mix weights. The Mississippi base weights for all M<sup>3</sup>PI categories are listed in the following table for residents in regular units as well as residents with Alzheimer's or related dementia in licensed Alzheimer's Special Care Units. At such time that sufficient and relevant data is collected, the Mississippi case mix base weights may be re-calibrated.

**MS MEDICARE/MEDICAID PAYMENT INDEX (M<sup>3</sup>PI)  
34 CATEGORIES**

**EXTENSIVE CARE CATEGORIES**

<u>M<sup>3</sup>PI</u> <u>GROUP</u>	<u>DESCRIPTION</u>	<u>ADL</u> <u>SCORE</u>	<u>MISSISSIPPI</u> <u>BASE WEIGHT</u>	
			<u>REGULAR</u> <u>UNIT</u>	<u>ALZHEIMER'S</u> <u>UNIT</u>
SE3	Extensive Special Care 3 All ADLs > 6	2.839	2.839	2.839
SE2	Extensive Special Care 2 All ADLs > 6	2.316	2.316	2.316
SE1	Extensive Special Care 1 All ADLs > 6	1.943	1.943	1.943

**REHABILITATION CATEGORIES**

<u>M<sup>3</sup>PI</u> <u>GROUP</u>	<u>DESCRIPTION</u>	<u>ADL</u> <u>SCORE</u>	<u>MISSISSIPPI</u> <u>BASE WEIGHT</u>	
			<u>REGULAR</u> <u>UNIT</u>	<u>ALZHEIMER'S</u> <u>UNIT</u>
RAD	Rehabilitation All Levels	ADL 17 - 18	2.284	2.284
RAC	Rehabilitation All Levels	ADL 14 - 16	1.936	1.936
RAB	Rehabilitation All Levels	ADL 10 - 13	1.772	1.772
RAA	Rehabilitation All Levels	ADL 4 - 9	1.472	1.472

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SPECIAL CARE CATEGORIES

<u>M<sup>3</sup>PI</u>	<u>GROUP</u>	<u>DESCRIPTION</u>	<u>ADL</u>	<u>SCORE</u>	<u>MISSISSIPPI</u>	
					<u>BASE WEIGHT</u>	
					<u>REGULAR</u>	<u>ALZHEIMER'S</u>
					<u>UNIT</u>	<u>UNIT</u>
	SSC	Special Care	ADL	17 - 18	1.877	1.877
	SSB	Special Care	ADL	15 - 16	1.736	1.736
	SSA	Special Care	ADL	7 - 14	1.709	1.709

CLINICALLY COMPLEX CATEGORIES

<u>M<sup>3</sup>PI</u>	<u>GROUP</u>	<u>DESCRIPTION</u>	<u>ADL</u>	<u>SCORE</u>	<u>MISSISSIPPI</u>	
					<u>BASE WEIGHT</u>	
					<u>REGULAR</u>	<u>ALZHEIMER'S</u>
					<u>UNIT</u>	<u>UNIT</u>
	CC2	CLN.COMP. W/DEPRESSION	ADL	17 - 18	1.425	1.824
	CB2	CLN.COMP. W/DEPRESSION	ADL	12 - 16	1.247	1.596
	CA2	CLN.COMP. W/DEPRESSION	ADL	4 - 11	1.043	1.335
	CC1	CLIN. COMPLEX	ADL	17 - 18	1.311	1.678
	CB1	CLIN. COMPLEX	ADL	12 - 16	1.154	1.477
	CA1	CLIN. COMPLEX	ADL	4 - 11	0.934	1.196

COGNITIVELY IMPAIRED CATEGORIES

<u>M<sup>3</sup>PI</u>	<u>GROUP</u>	<u>DESCRIPTION</u>	<u>ADL</u>	<u>SCORE</u>	<u>MISSISSIPPI</u>	
					<u>BASE WEIGHT</u>	
					<u>REGULAR</u>	<u>ALZHEIMER'S</u>
					<u>UNIT</u>	<u>UNIT</u>
	IB2	COG.IMP.W/NURSING REHAB	ADL	6 - 10	1.061	1.825
	IA2	COG.IMP.W/NURSING REHAB	ADL	4 - 5	0.777	1.336
	IB1	COG.IMPAIRMENT	ADL	6 - 10	0.938	1.613
	IA1	COG.IMPAIRMENT	ADL	4 - 5	0.703	1.209

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**BEHAVIOR PROBLEMS CATEGORIES**

<b>M<sup>3</sup>PI GROUP</b>	<b>DESCRIPTION</b>	<b>ADL SCORE</b>	<b>MISSISSIPPI BASE WEIGHT</b>	
			<b>REGULAR UNIT</b>	<b>ALZHEIMER'S UNIT</b>
BB2	BVR PRBMS W/NURSING REHAB	ADL 6 - 10	1.021	1.756
BA2	BVR PRBMS W/NURSING REHAB	ADL 4 - 5	0.750	1.290
BB1	BEHAVIOR PROBLEMS	ADL 6 - 10	0.866	1.490
BA1	BEHAVIOR PROBLEMS	ADL 4 - 5	0.612	1.053

**PHYSICAL FUNCTIONING CATEGORIES**

<b>M<sup>3</sup>PI GROUP</b>	<b>DESCRIPTION</b>	<b>ADL SCORE</b>	<b>MISSISSIPPI BASE WEIGHT</b>	
			<b>REGULAR UNIT</b>	<b>ALZHEIMER'S UNIT</b>
PE2	PHYS.FUNC.W/NURSING REHAB	ADL 16 - 18	1.188	1.521
PD2	PHYS.FUNC.W/NURSING REHAB	ADL 11 - 15	1.095	1.402
PC2	PHYS.FUNC.W/NURSING REHAB	ADL 9 - 10	0.937	1.199
PB2	PHYS.FUNC.W/NURSING REHAB	ADL 6 - 8	0.824	1.055
PA2	PHYS.FUNC.W/NURSING REHAB	ADL 4 - 5	0.637	0.815
PE1	PHYS.FUNC.	ADL 16 - 18	1.077	1.379
PD1	PHYS.FUNC.	ADL 11 - 15	0.990	1.267
PC1	PHYS.FUNC.	ADL 9 - 10	0.865	1.107
PB1	PHYS.FUNC.	ADL 6 - 8	0.749	0.959
PA1	PHYS.FUNC.	ADL 4 - 5	0.575	0.736

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**DEFAULT CATEGORY**

<b>M<sup>3</sup>PI</b> <b><u>GROUP DESCRIPTION</u></b>	<b><u>ADL SCORE</u></b>	<b><u>MISSISSIPPI</u></b> <b><u>BASE WEIGHT</u></b>	
		<b><u>REGULAR</u></b> <b><u>UNIT</u></b>	<b><u>ALZHEIMER'S</u></b> <b><u>UNIT</u></b>
BC1 DEFAULT CATEGORY	NOT APPLICABLE	0.575	0.575

**RESIDENT ASSESSMENTS THAT CONTAIN ERRORS IN FIELDS WHICH PROHIBIT CLASSIFICATION WILL AUTOMATICALLY BE PLACED INTO THIS CATEGORY BY DEFAULT.**

**3-4 Computation of Per Diem Rate for Nursing Facilities**

A per diem base rate will be established annually, unless this plan requires a rate being calculated at another time, for the period July 1 through June 30 until June 30, 2000. The rates established for the period July 1, 1999 through June 30, 2000 will be trended forward to establish rates for the period July 1, 2000 through December 31, 2000. For example, the trend factor established for the rate year July 1, 1999 through June 30, 2000 will be adjusted for each cost report period used to establish the rates for that period in order for the trend factor to be from the mid-point of the cost report period to the mid-point of the rate year. Facilities which filed a cost report for the period January 1, 1998 through December 31, 1998 originally had the trend factor that was established in accordance with this plan multiplied by 1.5 in order to adjust from the midpoint of the cost report period (July 1, 1998) to the midpoint of the rate year (January 1, 2000). In order to set the rates for the period July 1, 2000 through December 31, 2000, that same trend factor will be multiplied by 2.25 in order to adjust from the midpoint of the cost report period (July 1, 1998) to the midpoint of the rate period (October 1, 2000). Beginning January 1, 2001, the per diem base rate year will be January 1 through December 31, unless this plan requires a rate being calculated at another time. A case mix adjustment will be made quarterly based on the MDS forms submitted by each facility in accordance with other provisions of this plan. Cost

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access and quality incentives will increase the base weight by two percent (2%) for the following case mix categories:

DESCRIPTION	M <sup>3</sup> PI GROUP	DIRECT CARE ACCESS & QUALITY INCENTIVE WEIGHTS	
		REGULAR	ALZHEIMER'S
		UNIT	UNIT
Extensive 3	SE3	2.896	2.896
Extensive 2	SE2	2.362	2.362
Extensive 1	SE1	1.982	1.982
Rehab 17-18	RAD	2.330	2.330
Rehab 14-16	RAC	1.975	1.975
Rehab 10-13	RAB	1.807	1.807
Rehab 4-9	RAA	1.501	1.501
Special 17-18	SSC	1.915	1.915
Special 15-16	SSB	1.771	1.771
Special 7-14	SSA	1.743	1.743
Complex 17-18D	CC2	1.454	1.860
Complex 17-18	CC1	1.337	1.712
Complex 12-16D	CB2	1.272	1.628
Complex 12-16	CB1	1.177	1.507
Complex 4-11D	CA2	1.064	1.362
Complex 4-11	CA1	0.953	1.219
Impaired 6-10N	IB2	1.082	1.861
Impaired 6-10	IB1	0.957	1.646
Behavior 6-10N	BB2	1.041	1.791
Behavior 6-10	BB1	0.883	1.519
Physical 16-18N	PE2	1.212	1.551
Physical 11-15N	PD2	1.117	1.430
Physical 9-10N	PC2	0.956	1.223
Physical 6-8N	PB2	0.841	1.076

C. Case Mix Adjusted Per Diem Rate

A per diem rate will be calculated for each nursing facility on a quarterly basis. Each nursing facility's standard direct care rate will be multiplied by their average case mix for the period two calendar quarters prior to the start date of the rate being calculated. For example, the July 1, 1993 rate

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will be estimated using a five year moving average of the most recent cost indices for Jackson, MS. For example, in computing the rates for the year January 1, 2001 through December 31, 2001, the new bed value will be indexed to January 1, 2001 using the estimated index. An adjustment to the new bed value of 37.20% will be made for licensed Alzheimer's units based on the additional construction costs required to be licensed as an Alzheimer's unit.

2. The fair rental system establishes a facility's value based on its age. The older the facility, the less its value. Additions, replacements, and renovations will be recognized by lowering the age of the facility and, thus, increasing the facility's value. Facilities, one year or older, will be valued at the new construction bed value less depreciation of 1% per year according to the age of the facility. Facilities will not be depreciated to an amount less than seventy percent (70%) of the new construction bed value. For sales of assets closed on or after July 1, 1993, there will be no recapture of depreciation.

- a. Addition of Beds. The addition of beds will require a computation of the weighted average age of the facility based on the construction dates of

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